

OUR NATIONAL FUTURE.

BEING FIVE LETTERS BY

HON. JAMES YOUNG,

IN OPPOSITION TO

COMMERCIAL UNION

(AS PROPOSED) AND

Imperial Federation,

AND POINTING OUT WHAT THE WRITER BELIEVES TO BE

THE TRUE FUTURE OF CANADA

AS A PART OF NORTH AMERICA.

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OUR NATIONAL FUTURE.

THE COMMERCIAL UNION

—AND—

IMPERIAL FEDERATION SCHEMES.

Interesting Letter from HON. JAMES YOUNG, of Galt—A Canadian who has Faith in Canada—Commercial Union and Imperial Federation Alike Hostile to Canadian Nationality.

As a Canadian to the "manner born," who, notwithstanding the development of some grave political evils, retains faith in the future of Canada as a distinct part of North America, I exceedingly regret the present agitation of two questions—proceeding from opposite directions—a Zollverein or Customs Union with the United States, and Imperial Federation.

It is not quite twenty years since Confederation took place, and although some progress has been made, our most pressing political problem, from a national standpoint, continues to be the consolidation of the various Provinces composing the Dominion. When opening Parliament in 1867, Her Majesty's representative, Lord Monck, officially declared the newly-formed Union to be "the foundation of a new nationality." This language, put into His Excellency's mouth by his constitutional advisers, could bear no other legitimate meaning than that Canadian nationality was, and ought to be the

ULTIMATE AIM OF BRITISH AMERICA.

I do not see how any patriotic citizen, at least without deep regret, can take any lower view of the true future destiny of Canada, and it appears to me that Imperial Federation, the outcome of super-loyalism, or an American Zollverein, its reverse and opposite, are alike hostile to its successful accomplishment.

Our present and imperative duty is to make Confederation a success under the ægis of the British flag, and wild speculations as to our future necessarily have a disturbing and baneful effect. They encourage the idea that Confederation is a fragile bond, to be broken lightly by any Province whose demands have been denied or whose pride has been piqued; whereas the pact of Confederation is as solemn and binding as that of the United States, and no more can any Province withdraw without the consent of the whole, than could the Slave States in 1860 from the rest of the Republic. Under these circumstances those restless spirits who want a Zollverein, Imperial Federation or any other immediate radical change in our present relations with Great Britain, are, it appears to me, not only impeding the consolidation of the Dominion, but encouraging ideas in regard to its stability which may lead to more serious consequences.

MY OBJECTIONS TO A ZOLLVEREIN,

however, lie far deeper than this. I may say that a "Customs Union," as understood across the line, or "the complete Reciprocity" of the Butterworth Bill, simply means a Zollverein after the German model, and should not be confounded with Reciprocity as it existed under the Treaty of 1854. That Reciprocity in all raw products, and even some branches of manufactures, would benefit both countries immensely, no unprejudiced person acquainted with our International commerce can for a moment doubt. The people of Canada have always been ready to agree to this. But our neighbors have refused further Reciprocity ever since the expiry of the Elgin Treaty in 1866, when it was more or less openly avowed by Consul-General Potter at the Detroit Commercial Convention, that the action of his Government was influenced by our political position;

in other words, it was clearly intimated that by exchanging the British Lion for the American Eagle, we could have Reciprocity in the fullest sense of the term. This continues to be the secret of the commercial policy of our neighbors towards Canada, and I desire particularly to point out that a Zollverein, or Customs Union, with Free Trade between the two countries and a Continental tariff against the world, including Great Britain, is

ONLY AN OLD ACQUAINTANCE WITH A NEW FACE.

It may be presented in the pleasing guise of "complete Reciprocity," but every intelligent person must see that what is proposed is simply a Zollverein, which is not only irreconcilable with our continued connection with Great Britain, but a sort of half way house on the road to annexation. Political union has followed commercial union in Germany, and he must be very blind who thinks it would be different on this Continent.

To discuss the commercial results of a Zollverein at length is foreign to my present purpose. That many advantages would flow to Canada therefrom is undoubtedly true. But there is a bronze as well as a silver side to the shield. Certainly our rising manufactures would suffer under free competition with the older, larger and richer establishments of the United States, and the hopes entertained that the Maritime Provinces, with their stores of coal and iron, will, ere many years, become the New England of Canada, would be indefinitely postponed. Canadians who occasionally rush along the great through lines of American travel to New York or Chicago, naturally come back with

VERY EXAGGERATED IDEAS OF OUR NEIGHBORS' PROSPERITY.

Let them go into the country districts of the various States; let them compare northern Maine and New Hampshire with our Maritime Provinces, or Michigan, Ohio, or any other State, with Ontario; let them contrast the territories of the Great Northwest, and it will be found that our general prosperity does not compare unfavorably with theirs. So far as Ontario is concerned, I know no part of the United States in which the masses of the people are healthier, wealthier, or happier, and the immense resources of the Dominion are yet but very partially developed.

But I shall not dwell further on the commercial aspect of the question, for no high-spirited people would change their nationality as they do a garment, or weigh their patriotism solely by the almighty dollar. My protest against a Zollverein is that it is

UTTERLY ANTI-CANADIAN,

and subversive of the idea of an independent national future. Mayor Hewitt, of New York, at the recent Canadian Club dinner, described the proposition as one in which "the United States would make the tariff for Canada." This happy phrase hits off the proposed Commercial Union exactly, and how long, I ask, would Great Britain continue connected with Canada after the Frys and Ingalls and Blaines could fashion the Canadian tariff at their own sweet wills, or how long would we occupy a position of pitiful dependence on Washington legislation, alike harassing and uncertain, without finding annexation to be the only release from an intolerable position?

To discuss the details of such a policy is needless. The broad facts amply show what it means for Canada, and it is time the mist was cleared from our eyes and we looked the question straight in the face. It is time people realized that the chief difference between a Zollverein and annexation is, that one is a straight and the other a tortuous and troubous road to the same destination, and for my part, if things ever came to such a pass with Canada, I would greatly prefer the former to the latter.

But I have greatly mistaken my fellow Canadians if they are not overwhelmingly opposed to entering upon either road, and equally as overwhelmingly resolved, that when the day does come—as come some day it must—when Canada shall sever from Great Britain, the true destiny of British America will be realized, as foreshadowed by Lord Monck, in the establishment of a great Canadian nationality on the northern part of this Continent.

As this article has already extended to considerable length, I must defer reference to Imperial Federation till another occasion.

Galt, April 2nd, 1887.

LETTER NO. 2.

**Imperial Federation Scheme doing more to Disintegrate than Unite the Empire
—A Retrograde Step from a Canadian Standpoint.**

It is easy to discover increased responsibilities and difficulties, but no real advantages for Canada, in Imperial Federation, nor do I see how we can have any closer or better connection with the Mother Country than exists at present.

The idea at first glance is admittedly dazzling. That the British Isles should become the centre of a grand Federation of Free States, governed in all Imperial matters by one Parliament, bound together in peace or war, and circling the globe with Christianity and civilization, is a conception both dazzling and ambitious; but it appears, on a very cursory examination, more like a Jingo dream than practical statesmanship, and a dream, too, which might readily develop into national nightmare.

The well-intentioned and eminently respectable noblemen and others in Great Britain who seem bent on pressing this ambitious project are, I fear,

DOING MORE TO DISINTEGRATE THE EMPIRE,

at least so far as Canada is concerned, than their proposals would do to bind it together. Whilst unable to present any plan of Federation which the public mind does not at once dismiss as impracticable, their agitation is doing much harm by creating widespread doubts as to the strength and durability of the ties which have so long and, upon the whole, so happily united us to the Mother-land. Like the agitation for so-called Commercial Union with the United States, the Federationist movement is disturbing and impeding the consolidation of the Dominion, and if pressed and persisted in must ere long

PRECIPITATE A CRISIS

in our Colonial relations, the end of which it is impossible to foretell.

In a brief paper such as this, it is impossible to discuss so broad a question as Imperial Federation at length, and I shall have to confine my remarks chiefly to a few of the principal objections from a Canadian point of view.

So far as Great Britain itself is concerned, there is no evidence that our fellow-citizens there either believe in its practicability or advantages. With the exception of Lord Rosebery and the late Hon. W. E. Forster, I am not aware of any influential statesmen who have taken part in the movement. Such eminent men as John Bright and Goldwin Smith have denounced it as absurd and impracticable, and it can be readily understood, that after building up the greatest and freest Monarchy the world has ever seen, to undertake to change its character and form—the laborious work of centuries—into a Federation combining heterogeneous races and countries, and to give to each a voice in the great Parliament of the nation, would not only be a dazzling but

A MOST DANGEROUS EXPERIMENT.

With the history of ancient Rome before them, the people of Britain might well ask whether such an experiment would not be more likely to presage the downfall of the Empire than its consolidation and perpetuity.

Whatever else it may include, the project necessarily involves the creation of a Federal Parliament which would meet in London, and in which the British Isles and the self-governing colonies would be jointly represented. This body would naturally have control of all questions of Imperial concern, such as peace, war, ships, colonies, the fisheries and cognate subjects of a general character. It is extremely doubtful whether the British people could ever be induced to hand over such vital interests to a Parliament which, if based on just principles of representation, might be eventually controlled by the colonists; and, on the other hand, if the latter were not fairly represented, would be certain to end in dissatisfaction and disaster.

FROM A CANADIAN STANDPOINT

Federation is a retrograde step. No such change in our colonial relations is possible

which would not deprive us of constitutional rights and privileges we now possess. It is true we might still have a voice in these matters, but it would be in a Parliament meeting over three thousand miles away, in whose deliberations each colony would exercise but little influence, even when its representatives rose superior to ribbons, stars and garters. Besides this, who believes that any considerable number of Canadians would ever agree that any other body than our own Parliament and representatives should have legislative control over our commerce, or that our peace-loving citizens, in nowise connected with Old World quarrels, should become direct parties to and participants in wars which may at any moment reddens Europe with blood from Moscow to Constantinople? It is true we raised the gallant rooth Regiment for the British army, and more recently New South Wales sent a valuable contingent to assist Gen. Wolseley in Egypt. But it would be a great mistake to suppose from these spontaneous expressions of loyal enthusiasm, that the colonies would bind themselves for ever to waste their blood and treasure in wars in Egypt, India, Burmah and South Africa, in which

THEY WOULD HAVE LITTLE OR NO CONCERN.

I need not dwell upon other points, for I am persuaded the objections of Canadians to Imperial Federation are fundamental. Attachment to Great Britain and its Sovereign is almost universal among us. Whatever others may do or say, we gladly acknowledge how much the world owes to the British monarchy. But above and beyond all this, Canadians feel that their first duty as citizens is due to Canada, and that they are not prepared to move back the hands on the dial of national progress by relinquishing any of those cherished rights of Self-Government which our forefathers so long and so earnestly struggled to obtain.

To combine the Colonies and Mother Country under one Parliament would be something akin to putting new wine in old bottles. Disguise it as some may, our material and other interests are in not a few respects diverse. What is best for them is not always best for us, and *vice versa*; there is, consequently, much danger that, instead of binding the Empire and Colonies together, attempts to tighten the cords which unite us would increase the tension and

SNAP THEM ASUNDER.

There is nothing more vitally important to what I believe to be the true future of the Dominion than the present continuance of British connexion, and I am firmly persuaded that the existing union between Great Britain and Canada—albeit mainly the tender chords of national sentiment—is the strongest and best which will ever bind us together.

National sentiment may seem at first glance a fragile bond, but experience proves it to be a potent force. It was national sentiment which nerved three hundred Greeks to withstand the mighty power of Xerxes at the Pass of Thermopylæ; it was national sentiment which stimulated Britain to defy Napoleon when all Europe crouched at his feet; it was national sentiment which, under Cavour, unified and regenerated Italy; it was national sentiment, under the statesmanship of Bismarck, which made Germany the foremost of Continental powers on the bloody field of Sedan, and I see no reason why

NATIONAL SENTIMENT,

if untampered with by avowed Federationists or disguised Annexationists, may not continue to happily unite Canada and the Mother Country for many years to come.

But as certainly as the son reaches manhood and leaves the parental roof, as certainly comes the day when powerful Colonies attain their majority.

This lesson is written all over the world's history. That day came for Britain's first born, the United States. It is now approaching for this great Colony, and it ought to be the prayer and aspiration of every citizen, that at the proper time and in cordial alliance with Great Britain, Canada may fulfill Lord Monck's prediction by peacefully and gracefully taking a place among the nations, which, by its resources, people and institutions, it will be amply fitted to adorn.

Galt, April 30th, 1887.

LETTER NO. 3.

Commercial Union a National as well as a Commercial Question—Its Effects on Canadian Industries—The Question of Patents—Which is our best Market.

I am pleased that *The Globe* has taken the broad ground that Commercial Union is not a party question, and evidently aims at a thorough ventilation of the whole subject. Regarding it as one of momentous importance to the future of Canada, and scarcely less to the Liberal party, I feel it to be my duty to offer some additional reasons why Commercial Union appears to me at once impracticable and undesirable.

I quite agree with Mr. Wiman and Mr. Butterworth (with the former of whom I have been on terms of friendship for thirty years with increasing admiration and respect), that there ought to be freer commercial relations between the United States and Canada. But who is to blame for the tariff wall which exists? Certainly the United States. They annulled the Elgin-Marcy Treaty in 1866, much against Canada's will, and though the "balance of trade" had been nearly \$100,000,000 in their favor, the Brown-Thornton Treaty of 1874 was cavalierly ignored by Congress, and both the Federal and State Governments, so far as I have seen, have ever since acted consistently on the view announced by Consul-General Potter at the time of the famous Detroit Commercial Convention, that Canada could have the fullest Reciprocity by political union, but not otherwise.

AFTER MAINTAINING THIS ATTITUDE

for twenty years Mr. Butterworth proposed to Congress last year a substitute measure, which he called Commercial Union. This proposition may seem little, but means much, and its substance may be briefly stated as follows:—(1) Complete freedom of trade between Canada and the States, and (2) the adoption of a joint continental tariff against the world, including Great Britain. This idea is not original, being simply the revival of Horace Greeley's proposal of an American Zollverein after the German model. It was scouted in Canada when first proposed twenty years ago, but we are given to understand that, as revamped by Mr. Butterworth, the President, cabinet ministers, governors, judges, legislators and the people of the United States have received the proposal with almost universal favor.

In discussing this question it is high time every candid writer ceased to speak of Reciprocity and Commercial Union as the same thing. They are materially different. Reciprocity is one thing, Commercial Union quite another. The former is simply a Commercial question; the latter is, in addition, a national and political question of the most vital character. Many of its advocates seek to shirk or ignore this. But it is impossible. It is of the

VERY ESSENCE OF MR. BUTTERWORTH'S BILL.

ample proof of which, if any were needed, might be found in the fact that whilst in Canada its friends are constantly protesting it won't affect British connection and lead to Annexation, its popularity in the States arises chiefly from the belief that it would speedily bring about these very results.

The proposed measure, therefore, must stand the test politically as well as commercially; but before considering these points, let me briefly glance at, without discussing, what I regard as a few out of many incorrect assumptions.

(1) How absurd it is, not to say unpatriotic, to speak of Canadians, especially our farmers, as being poverty stricken and suffering serious disadvantages as compared with our American neighbors. Sixty millions of people will naturally have larger cities, larger industries and larger wealth than five millions. But, as I have had occasion to remark before, I do not believe that in the most favored parts of the Union the masses of the people are wealthier, healthier or happier than in our own noble Province of Ontario, whilst in the majority of the States and territories their position is quite inferior to ours in almost every respect.

(2) Equally fallacious is it to assume that the Canadian farmer pays all the duties on the horses, cattle, barley, etc., which are exported across the lines. For forty years the Liberal party has been taught differently, and the demonstrations of Adam Smith,

OUR NATIONAL FUTURE.

confirmed by all great living political economists, as well as by practical experience, clearly prove the contrary.

(3) I may also notice the assumption so frequently indulged in, that Commercial Union would open up to our farmers a market of 60,000,000 of consumers. With equal truth it might be said that it would bring upon them sixty millions of competitors, for a nation which exports over \$500,000,000 worth of farm products annually cannot require to import similar articles for their own consumption.

Now, how would such a sweeping measure as Commercial Union

AFFECT OUR PRINCIPAL INDUSTRIES ?

Some would undoubtedly be benefited; others as certainly crippled and injured. Our fisheries would not, it seems to me, be improved. Our sea toilers would secure an open market, but this would be more than offset by being crowded off their fishing grounds by New England fishermen, who would have the best chance in American markets, and who might soon reduce our unrivalled fisheries to the same condition as their own. The removal of duties would give a temporary stimulus to the lumber trade. But, as our neighbors are annually becoming more dependent on our lumber, it can hardly be doubted that the duty almost invariably falls on the American consumers, and its removal would be sure to be followed by a readjustment of prices. Exchanges would be more easy, which is always an advantage, and production would probably be stimulated; but, with the exception of a few large limit holders, the latter would be an injury rather than a benefit to Canadians, as our future wealth and prosperity largely depend on the conservation of our forests.

The dazzling picture of wealth drawn from the rapid development of our "mountains of iron and copper" will hardly bear close scrutiny. The boasted riches made in the States from these industries have been almost wholly absorbed by a small circle of iron and copper monopolists, and almost every dollar of it has, in consequence of their enormous protective duties, been wrung from the pockets of the farmers and other producing classes. It may seem a somewhat surprising statement, but judging from the remarks of the Hon. David Wells, Prof. Sumner and other American political economists, it is doubtful

IF A SINGLE DOLLAR HAS REALLY BEEN ADDED

to the wealth of the United States by all the iron and copper produced; in other words, it is doubtful if the nation as a whole would not have been richer if, instead of forcing up the prices of these staples by enormous bounties and duties until mining and smelting would pay, they had allowed their people to buy the immensely cheaper iron and copper of England and other countries. I will only add on this point that there still remain many "undeveloped" mountains of iron and copper in the United States, but the monopolists aforesaid can always be relied upon to retard or crush out their development, and that we in Canada would fare any better can hardly be expected.

We now come to our merchants, manufacturers and farmers, and it is these classes which Commercial Union would most deeply affect. Promptly as the trade barriers were thrown down, that numerous and respectable class known as "drummers" would sweep over the Dominion with a zeal begotten of "pastures new." The immediate effect would be business disturbance and upheaval, to be almost certainly followed within twelve months by a serious commercial crisis, beginning among our merchants and manufacturers, but extending to our monetary institutions and more or less affecting all classes. When the wrecks were cleared away and things had settled down again, it would be found that a considerable portion of our importing trade from Great Britain and abroad had been permanently transferred from Montreal, Toronto, Halifax, Winnipeg and other Canadian cities to Portland, Boston, New York, Chicago and St. Paul. Proof of the soundness of this view may be found in the action of the members of the Toronto Board of Trade, who almost unanimously decided against Commercial Union, and who are not only competent but

THE BEST JUDGES

how it would affect our mercantile interests.

That the measure would seriously cripple our existing Canadian manufactures is generally admitted, and, indeed, is so self-evident as scarcely to require argument. As a Liberal I have opposed the exorbitant protective duties of our present tariff, but I

have never advocated or believed that our manufactures could subsist and flourish if exposed to absolutely free competition from the immense British and American establishments. It is unreasonable to expect that they could, and the very last thing that the United States manufacturer would consent to, would be to open his markets to British goods, although, (alas for consistency!) he would like us to open ours to him!

"But," it is constantly asked, "why cannot the Canadian manufacturer compete with the American on equal terms?" Ask the latter why he cannot compete with the British manufacturer on equal terms, and he will answer:—"The terms are not equal; we cannot compete because of the cheaper labor and capital, cheaper raw material, and, in many cases, larger establishments of Great Britain." Whatever truth may be in this, there are strong reasons why many of our manufacturing industries could not withstand the competition certain to occur if we made our markets perfectly free to the large corporations and monopolies of a great nation like the United States. Nor does it necessarily follow from this fact that Canadian prices are higher, or that the change would ultimately ensure the consumer cheaper goods. It is an easy and very common thing across the line for large corporations to crush out smaller concerns and afterwards charge higher prices to recoup themselves. That this would be extensively done throughout the Dominion by American manufacturers if Commercial Union were adopted, is as certain as that man is human, and the result of such unfair, combined with legitimate competition, would not only check the further growth of manufactures among us, but

CAUSE WIDESPREAD RUIN

among those which at present exist. "But," we are told again, "with Commercial Union we would have all the United States to manufacture for, and that ultimately the best of our manufacturers, reinforced by Americans and American capital, would have immense establishments sending Canadian goods all over the Continent." This is a pleasing dream, but only a dream. Indeed, this is one of the crucial points at which, it appears to me, Commercial Union absolutely fails. Two facts must, I think, make this perfectly clear to every unprejudiced mind. They are as follows:—

First—All descriptions of American manufactures are extensively covered by patents, either wholly or in part. These patents run for long terms of years and prevent competition with the patented articles in any of the States or Territories of the Union. Many of these same manufactures are made in Canada, but few of them have been patented here; consequently, whilst the Americans could over-run our limited market with their patented goods, our manufacturers who make the same article or parts thereof, would continue to be as completely shut out of the States as they are at present.

Second—Under Commercial Union the commencement of large industrial establishments in Canada would be checked if not altogether prevented. It would offer a premium to manufacturers to avoid Canada, for the very obvious and powerful reason, that if they located here the repeal of the treaty would lose them eleven twelfths of their market and entail serious loss both in real estate and plant. On the other hand, by locating in the States they would be certain of the whole of that large market and enjoy ours also whilst the treaty lasted.

Under these circumstances, I submit, that whatever else may be said in favor of Commercial Union, it would inevitably be most disastrous to Canadian manufactures, both at present and in future. I shall not enlarge further on this point, except to say: what this would mean, not only to our leading cities, but to such places as Stratford, Woodstock, Brantford, Galt, Berlin, Paris, Oshawa, and other rising towns and villages throughout the Dominion, requires no prophet to foretell.

Agriculture being admittedly our chief industry, if it could be proven that Commercial Union would greatly benefit our farmers, without entailing serious disadvantages upon them, it would certainly receive my most favorable consideration. That

SIMPLE RECIPROCITY WOULD DO THIS

everybody is agreed. The benefits would not be so great as under the former treaty, for there would be no Crimean war, no Slave-holders' rebellion, no Grand Trunk construction to raise prices abnormally high; but the complete freedom of exchange of all products of the farm, especially on the frontiers, would be both convenient and profitable, and add to the prosperity of both countries. But, as I have remarked before,

Reciprocity is one thing, Commercial Union quite another. The latter would open the markets of both countries, but only on certain conditions specified by the United States, and these conditions, as I will endeavor to prove, would largely, if not wholly, destroy its advantages to our farming community. The conditions referred to are the adoption of a Continental tariff and discrimination against our trade with the Mother Country.

Our farmers, we are told, are suffering from an oppressive system of Protection, which is annually becoming more unbearable. But what gain would it be to them, by accepting the above conditions, to place themselves under the still higher and more exacting Protection of the United States, whose policy approaches nearer the Chinese principle of non-intercourse than any other modern Government? We are also told that our farmers are suffering from high taxation, levied largely for the benefit of other favored classes. This is, unfortunately, too true, but farmers' votes have upheld the high taxation system, and they have the power to undo it; what relief, however, would it be to their burdens to place themselves under what would practically be the United States tariff, which is at least ten per cent. or fifteen per cent. higher than the taxes they have to pay at present?

Whilst improving our farmers' American market, Commercial Union, unlike Reciprocity, would

INJURE THEIR HOME AND BRITISH MARKETS.

These three markets absorb nearly all our agricultural produce, and the former, I submit, is the least important to our farmers for the following reasons: (1) Because our neighbors raise annually over \$2,210,000,000 worth of the same products which we raise; (2) because the British is the consuming market for the surplus products of both countries and determines the price; and (3) because they take less of our products than the home or British markets, and what they do buy, except horses, barley and a few other articles, is either re-exported or displaces produce of their own—in either case adding to the competition of our direct shipments in the Mother Country.

It is the very marrow of the question to determine the relative value of these three markets to our farmers, and we are fortunately now in possession of some reliable data which may guide us in doing so. The able head of the Ontario Bureau of Statistics, Mr. Archibald Blue, in a carefully prepared statement now in my possession, makes the value of everything produced on Ontario farms in 1886 to have been close upon \$160,000,000. Adding \$140,000,000 for all the other Provinces, which must be a moderate estimate, we reach a total production for the Dominion of \$300,000,000. Assuming that one-half of these products were consumed by the farming community themselves, the surplus was disposed of as follows:—

Surplus farm production	\$150,000,000
Exported to Great Britain	\$22,543,936
" United States	15,495,783
" elsewhere	1,678,493
	39,718,212
Home market consumed	\$110,281,788

Although only an approximate estimate, these figures clearly indicate that the home market made by our manufacturing, lumbering, mercantile and other classes is incomparably the best which our farmers possess, while that of Britain ranks second and that of the States third. As indicative of the relative value of the two latter, I subjoin a statement of our total shipments of products of the farm (goods "not the produce" of Canada included) to each respectively since 1880:—

Year.	United States.	Great Britain.
1880.....	\$13,177,724	\$25,793,797
1881.....	14,199,767	34,087,366
1882.....	16,297,206	35,763,194
1883.....	18,776,272	29,557,012
1884.....	14,512,522	25,750,891
1885.....	15,542,533	30,449,446
1886.....	15,931,188	26,700,404
	\$108,437,212	\$208,102,110

During the last seven years, therefore, Britain took more agricultural products directly from the Dominion than the States did by nearly \$100,000,000. This makes it tolerably clear that it is our principal market for foreign export, and its superiority is enhanced by the fact that whilst the Mother Country sends us comparatively no farm products in return, our

AMERICAN NEIGHBORS ARE ACTIVE COMPETITORS

not only in the foreign, but in our own home market. In order to throw further light on this important point I have compiled from Dominion records the following table of our chief agricultural exports to each country respectively during 1886:—

	United States.	Great Britain.
Cattle.....	\$ 724,457	\$4,998,327
Horses.....	2,189,394	19,279
Sheep.....	831,749	317,987
Butter.....	17,545	773,511
Cheese.....	20,219	7,261,542
Eggs.....	1,722,579
Meats, all kinds.....	83,570	698,776
Wheat.....	325,271	4,789,276
Flour.....	125,520	1,092,461
Oatmeal.....	15,680	297,415
Barley.....	5,708,130	11,248
Indian corn.....	59,450	1,330,131
Oats.....	87,697	1,160,528
Peas.....	377,003	1,739,917
Hay.....	897,8c6	69,534
Potatoes.....	374,122	192
Hides and skins.....	468,461	785
Wool.....	271,424	45,254
Apples.....	55,302	410,898

These various statistics will, I trust, furnish our farmers some reliable data upon which to estimate the relative value of their three chief markets. The surplus farm production of the Dominion (only one-half the total amount) for 1886, as we saw above, was about \$150,000,000, and of this our home market absorbed (to use round numbers), \$110,000,000, or 73 per cent.; Great Britain, \$22,500,000, or 15 per cent.; and the United States \$15,500,000, or 10 per cent. It is quite evident from these facts that it must be absurd to represent our farmers as dependent on a market which for twenty years has only taken 10 per cent. of their surplus, and only 5 per cent. of their total annual production, and that the benefits of Commercial Union

MIGHT BE DEARLY PURCHASED

if it weakened their home and British markets, which together absorbed 88 per cent.! Now, this is another crucial point in Mr. Butterworth's proposal, and reveals another serious, if not fatal disadvantage. It would undoubtedly affect both the home and British markets injuriously as purchasers of our farmers' productions, and thus they would find in the end that they had lost as much, if not more, than they had gained by the measure.

Under Commercial Union something like a revolution would take place in our British and American trade. At present the U. S. sells us, taking all descriptions of goods, about \$5,000,000 more per annum than the former. Take all duties off American goods and raise our tariff wall still higher against the British, and a large decline in our whole trade with the Mother Country, and the complete termination of some branches of it, would inevitably result. But some may say, "What matters that to our farmers? Britain would buy our productions from us the same as before." Not so, friend! Political economy and experience alike teach, that as our imports from Britain dwindled to zero, our exports to her would also decline, and as these are mostly agricultural products, it follows that the Mother Country would more or less cease to be the direct, convenient, first-class market for our farmers which it is at present.

I would invite the attention of farmers to the last table given above, which may aid them to figure out for themselves what they would gain or lose by making the American market a little better and that of Britain a little worse. To put it in a sentence, what would they be in pocket if they got a trifle more on \$2,189,000 worth of horses, \$5,708,000 of barley, and \$831,000 of sheep and lambs, but had to take a little less on \$4,998,000 worth of cattle, \$6,179,000 of breadstuffs, and \$8,035,000 of cheese and butter?

THE SAME ARGUMENT

applies with still greater force to our home market. The general decline of our British trade, which would be as certain under Commercial Union as that the sun shines, would more or less injure our ocean shipping, our importing interests, the Pacific and Inter-colonial railways, as well as leading cities along the St. Lawrence route. As we have already seen, there would be a serious decline in our manufactures with little chance of improvement whilst Commercial Union lasted. Attempts have been made to belittle our home market. But according to the census of 1881 there were at that time 254,935 mechanics employed in manufacturing alone, there was \$165,302,000 of capital invested, and the annual product of our various industries was given at \$309,676,000. According to the Secretary of the Manufacturers' Association, the annual output is now not less than \$500,000,000, and the wages paid out something over \$100,000,000. The numbers employed have been very largely increased since 1881. Taken altogether, these different classes embrace a large portion of our consuming population, and they are our farmers' best customers, because they are found at his own doors, saving the cost of carriage, and they buy largely of butter, eggs, poultry, vegetables, fruits, berries, honey and other minor articles, the latter of which are scarcely of any value for export. The injury of these interests would be the certain injury of what is incomparably our farmers largest and best market, and (waving the point that the consumer generally pays the duty) to damage it even slightly in the hope of saving 10 per cent. or even 20 per cent. on the horses, barley, sheep, etc., purchased from us by the Americans, would prove something akin to "wasting at the bung to save at the spigot."

From all the foregoing considerations I am forced to the conclusion that, even commercially there are two sides to the proposed union, and that its acknowledged advantages are offset by still greater disadvantages. The wide difference between it and Reciprocity must be apparent to every one. The latter would benefit the farmers and the people generally of both countries; it would inflict injury upon none. It is a fair and square deal on both sides, but that is just what Commercial Union is not, for aside from its national entanglements and injury to our manufacturing, importing and other interests, it would so damage both our farmers home and British markets that I feel assured if our neighbors will not agree to a fair and just measure of Reciprocity, the great majority of Canadians will come to the sage conclusion of the poet:—

" Better endure the ills we have
Than fly to others we know not of."

Having taken up so much space already, I shall have to reserve my remarks on the national and political aspect of the question for another article.

Galt, Sept. 1st, 1887.

LETTER NO. 4.

National and Political Results of Commercial Union—The Revenue Question—Inconsistent with British Connection or a National Future.

Turning now to the national and political side of the question, we have to consider the results likely to follow from the "conditions" which our neighbors have attached to Commercial Union. These conditions are that we unite in an American Zollverein, or, in other words, that we adopt a Continental tariff against the world, and consequently

discriminating against British trade. Nothing has surprised me more than that the advocates of this measure can profess to see nothing impracticable in this country continuing British connection, while we join another nation in a league against British commerce. But before discussing that point, let us glance at another lion in the path, which, unlike old John Bunyan's lions, will have to be grappled with and overcome before we can proceed.

ONE OF THE FIRST RESULTS

of Commercial Union would be the loss of nearly \$7,000,000 of revenue annually collected by us from American imports. The total Customs revenue of the Dominion for 1886 was \$19,373,551, and notwithstanding our high taxation, there was a deficit of \$5,834,000. How could we pay our public creditors and prevent financial embarrassment if we gave up our control over the tariff, and at the same time threw away \$6,769,000, or over one-third of our total Customs receipts, which was the amount collected from United States goods last year?

It will not do to "pooh pooh" this question instead of answering it. It is a matter of the most vital consequence. The solvency or bankruptcy of the Dominion may depend upon it. The seven millions of revenue would have to be raised, and how could we do it? We could not raise it by higher duties on imports, for we would be under the Continental tariff which we wouldn't control, and if we even trebled our Inland Revenue taxes it is extremely doubtful if the amount would be forthcoming, for the rates would be, in many cases, prohibitory, inducing smuggling and other evasions of the revenue. But even if we could easily raise the \$7,000,000, what class of Canadian tax-payers, least of all our farmers, who have the brunt of the burden to bear now, would ever dream of taxing themselves for Commercial Union to such an extent?

PERCEIVING THIS DILEMMA

and that it alone would be fatal to the whole scheme, the Commercial Unionists have made the somewhat extraordinary proposal that the United States and Canada should have a joint purse for Customs revenue, and they have published a calculation to show that a division of the revenue per capita would give Canada as much as at present. Assuming that this were correct, there would still remain the strongest possible objections to a joint national purse when we would have little or no control over the purse-strings. But, as a matter of fact, the figures advanced as to Canadian revenue under this proposal are by no means correct.

The sum of \$210,000,000 is taken as the basis of this calculation, being the average of American Customs receipts for the past four years. But as their war expenditure disappears, their Customs duties are being gradually reduced; last year they only realised, in round numbers, \$192,000,000, and there are loud calls all over the Republic for further reductions. Assuming, however, that their revenue did not fall lower than the last-mentioned sum, it would reduce Canada's share from \$3.50 to \$3.20 per head, or by the sum of \$1,500,000. Then our Inland Revenue is set down in the calculation at \$11,500,000. But unless they propose to extend the United States Inland Revenue system over the Dominion, or we bind ourselves to adopt similar laws to theirs, which would be much the same thing, our Inland Revenue would only amount to \$6,000,000, which was more than the collections of last year. In the two items, therefore, the calculation aforesaid comes short to the extent of \$7,000,000.

THE BROAD FACT

that Canada expects, according to the Finance Minister's statement, to realise \$22,500,000 from Customs during 1887-8, whilst under the proposed joint-purse arrangement at \$3.20 per head for five millions of people, we would not receive more than \$16,000,000, is sufficient to prove that Commercial Union is impossible unless the people of this Dominion are prepared to put their hands in their pockets and raise annually some six or seven millions of additional revenue.

Since the foregoing argument was written, my attention has been called to Mr. Butterworth's letter, of the 6th August to members of Congress, in which he speaks of "some modifications of the Internal Revenue system on each side of the line." This is the first time I have observed any proposal of this kind, and if higher taxes were levied

it might somewhat reduce the discrepancy in the revenue calculation referred to, but it would in no way weaken the truth or force of my argument as to additional taxation. Under any circumstances Canada would have to tax herself for the deficient millions.

THE MOST STRIKING AND OBJECTIONABLE

feature of Commercial Union is the fact that our neighbors require that Canada, although a British colony, shall adopt a joint tariff with the United States, discriminating against British trade. Without dilating on the unusual character of this "condition," I may say the Dominion has no constitutional power to make any treaty, much less one hostile to the Mother Country. That Britain herself could agree to a discriminating Commercial Treaty is by no means certain, as under the "most favored nation clause" of her treaties with such countries as France, Germany and Italy, she might be sharply taken to task for discriminating in favor of the United States. But waving this point, what Canadian statesman, unless he had lost all regard for British connection, could seriously propose to Great Britain to negotiate a treaty, or even consent to legislation, discriminating against her own commerce and building up that of a rival?

"But," says Mr. Goldwin Smith, "Canada already levies duties avowedly protective on British goods, and the adoption of the American scale would make no great difference, as it appears to me, either practically or in point of principle." With all respect to Mr. Smith, a greater fallacy than this was seldom ever penned. There is

A FUNDAMENTAL DIFFERENCE

between the two cases. Under our present tariff, however objectionable in some respects, British and American manufacturers stand upon equal terms. But under Commercial Union, Canada would open her doors free to all American goods, but bar them against those of Britain by duties ranging from 50 anywhere up to 100 per cent. This is a wide difference from our present tariff, "both practically and in point of principle," and its far reaching effects would speedily appear. It would, indeed, give a ruinous blow to British trade with Canada, and to represent John Bull, as some are coolly doing, as being rather willing than otherwise to perform a sort of Commercial hari kari of the nature proposed, proves that the age of credulity has not yet passed away.

Another overwhelming objection to every Canadian who has any proper spirit or regard for his country must be, it appears to me, that the control of this Continental and discriminating tariff would practically be in the hands of our neighbors. I know it is urged that a joint commission, in which Canada would be fairly represented, would regulate changes in the tariff from time to time. Mr. Wiman is reported to have said at Detroit that the basis of this commission would be population, and that the proportion would be ten members for the States for every one for this country! However this might turn out, the old saw would doubtless prove true, that the tail could not expect to wag the dog, and so, practically, the

CONTROL OF TAXATION WOULD PASS OUT OF OUR HANDS.

If Congress ever consented to give the control of the tariff into the hands of any commission, which I can hardly believe, they would at least insist that they should appoint the commissioners who were to represent the Republic. Controlling the commissioners they would control what they did, and consequently this condition of Commercial Union would practically place the taxation of the people of Canada in the hands of the United States Congress. A century ago our neighbors began the Revolutionary war rather than submit to "taxation without representation," and I cannot understand how any Canadian who desires the continuance of the present independent position of Canada could ever consent to hand over the tremendous power of taxation, not only without representation, but into the hands of a nation with which we are not even politically connected.

Now, suppose Commercial Union to be actually in force, what would the position of Canada be? We would be under the Continental tariff, nominally controlled by a joint commission, but practically by the States. Our Inland Revenues would be similarly controlled. There would be a joint purse for the moneys collected, but as our neighbors would put in, say two hundred to our twenty millions, naturally the purse

aforesaid would be kept at Washington, and if we did not draw the whole of our per capita allowance of revenue from the American capital, whatever deficiency there was at our own ports would certainly be drawn from there. Can anyone imagine a more dependent and pitiful position for the Dominion and its Government to occupy? We would occupy a position wondrously like being supported by an annual subsidy from the United States, and our Government would be like Samson shorn of his locks. As they no longer controlled the tariff or its revenues, they would be impotent to discharge many of the functions of Government. They would be

UNABLE TO UNDERTAKE NEW PUBLIC WORKS

and improvements so necessary to the growth and prosperity of a country like Canada. If an Indian rebellion broke out they would be at their wits end for money to put it down, and Canada would occupy a position at once painful and comical in case of trouble arising between Great Britain and the States.

Whenever the tariff was changed at Washington, our Parliament would have to cry "ditto;" when new rules and orders were issued as to Customs, our Government would have to cry "ditto" again; and when they altered their Inland Revenue taxes, "ditto" would again be our cry. Our merchants and all others affected would have to conform to these changes, and we may rest assured that in a commission composed of ten Americans to one Canadian, their policy would at least not be to build up the trade of Montreal and Toronto at the expense of Boston and New York. If the tariff was raised we would have to pay higher taxes. If it was lowered our subsidy might decline so that bankruptcy would stare us in the face, and then, indeed, we might be forced to "look to Washington" whether we liked it or not.

It is needless, I feel assured, to press this point further. Even if the United States Government acted in this matter with perfect good faith, the proposed arrangement as to the tariff and joint purse would

GIVE RISE TO CONSTANT DIFFERENCES

between the two countries, and in all such cases, as the weaker party, we would have to knuckle under. Place ourselves once in such a position, and our experience in regard to the fisheries and other questions abundantly proves, that however just and generous Americans generally are, the average Congressional politician, and all whom he could influence, would use their vantage ground for all it was worth to realize the national dream of the Monroe doctrine:

"No pent-up Utica contracts our powers,
The whole boundless continent is ours."

Many in Canada who have expressed themselves favorable to Commercial Union are under the belief that it is compatible with the continuance of British connection, but I think it must be apparent from the foregoing reasons, not to mention others, that the combination of the two things is quite impracticable. And this leads me to notice the statements frequently made by Mr. Goldwin Smith and others, that "All Canada was enthusiastic over Commercial Union," that "eve yone admits its benefits," etc. If it had been said that all Canada was enthusiastic for Reciprocity and freer commercial relations, it would be correct enough, but there are no solid grounds for saying that of Commercial Union. A few meetings, most of them sparsely attended, furnish little evidence of Canadian opinion, more especially when most of those present were under the belief that they were only voting for Reciprocity of a rather more extended character than before. Besides, in almost every case, the resolutions passed contained a saving clause in favor of British connection, which fact indicates what the opinions of the masses of Canadians will be when the true bearings of the question are fully discussed and understood. Our people are

WARMLY IN FAVOR OF RECIPROCITY

or any fair and square measure to secure freer trade between the two countries, but instead of being "enthusiastic for Commercial Union," it is my firm belief that Mr. Smith will find, when the people of Canada thoroughly understand both its commercial and

political consequences, that it will prove but little more popular than his abortive win and beer agitation.

However sincere some may be in thinking otherwise, Commercial Union is inconsistent with the continuance of British connection or a national future for Canada. John Bright, in his recent letter, says that Protection was a first step towards separation of Canada from England, and that Commercial Union would be "another and more serious step" in the same direction. There can be no doubt of the correctness of Mr. Bright's view, and those Canadians who have heretofore thought differently—and many have honestly done so—have only to read the accounts of the Detroit meeting to learn "whither they are drifting." Mr. Goldwin Smith there came out flat-footed for Annexation, and Mr. Butterworth, though still employing ambiguous phrases, clearly indicated Annexation as the final result when he said—"It is apparent to all that in the consummation of what is now proposed,

THE MONROE DOCTRINE BECOMES AN ACCOMPLISHED FACT

throughout all this continent."

There can be no uncertainty as to the meaning of the language used by the leading Commercial Unionists at Detroit, and yet we find it frequently asserted on this side of the lines that to support Commercial Union is the best way to prevent Annexation. It is remarkably curious, if this be correct, that every Annexationist in the land is doing his level best, in talking or writing, in favor of the Butterworth scheme! And in using the word Annexationist I do not intend to convey any reproach. I have no fault to find with anyone who holds that or any other view. I disclaim any sympathy with a mere loyalty cry; and, on the other hand, much less do I sympathise with sneers at loyalty as if it were a crime for a Canadian to be loyal to his own country. But whilst treating Annexationists with all respect, it is the manifest duty of those who hold, like myself, that Canada has a nobler and better destiny before her, to warn our fellow-countrymen that Annexation is the natural and logical result of such a grave step as Commercial Union, and that to pretend that the latter would prevent the former, is not less preposterous than to say that the best way to prevent your boat going over Niagara Falls would be to shoot it over the Chippawa rapids.

In our circumstances as part of the British Empire, Commercial Union is

AN IMPRACTICABLE NATIONAL POSITION.

We would no sooner get there, to use a current phrase, than it would be apparent to everyone, that, united with Britain politically, but with the States commercially, Canada had become a sort of national Hermaphrodite, half British and half Yankee; that such a position was at once inconsistent and intolerable, and that we must either go forward to Annexation or try to retrace our steps, regretting the folly of which we had been guilty. That Canada could adopt the latter course if thoroughly united, might be possible, but we would not be united upon it, and we would find that, having slidden half way down a precipice, it is very hard to scramble back to the top, but very easy to slide down to the bottom. For my own part, I do not believe we would ever find it practicable to draw back, for I regard Political Union as the natural corollary of Commercial Union. But that we could either go backwards or forwards without embroiling Great Britain and the United States, or creating serious civil disorder in Canada, and possibly bloodshed, is

OPEN TO THE VERY GRAVEST DOUBTS.

I hope my fellow-Canadians will weigh well all the consequences, political as well as commercial, likely to follow such a far reaching measure as Commercial Union before deciding upon it. If I have written warmly, and perhaps at too great length, it is because I feel it to be a question of momentous importance to the future of Canada, and because, as a lifelong Liberal, I would regard it as a great, perhaps fatal mistake, if the Liberal party became committed to the Butterworth scheme. Our great leaders, George Brown, Alexander Mackenzie and Edward Blake—a noble trio—never at any time expressed themselves favorable to a Zollverein. Mr. Brown, we know, was strongly opposed to it, as being antagonistic to the continuance of British Connection; and as a political weapon, while its advantages are attractive on the surface, when the

people come to understand its numerous commercial drawbacks and political consequences, in my humble judgment any Party adopting it would find it a veritable boomerang in their hands. For, after all, although our electorate have great mistakes, the people generally warmly love Canada, and if this question ever goes so far as to be threshed out and sifted at the polls, their good sense can be trusted to say to our American neighbors:—"We ardently desire freer commercial relations with you; we are warmly in favor of a new Reciprocity Treaty or any other fair measure, dealing out even-handed justice to both, and doing no injury to either; but we are not prepared, under the guise of Commercial Union, to surrender our country for commercial advantages which would be just as beneficial to you as they would be to us!"

As was stated in a former letter, Commercial Union is

UTTERLY ANTI-CANADIAN,

and leads directly away from that National future which ought to be, and is worthy to be, the hope of every true Canadian. There exists throughout Canada the kindest feeling towards the United States. For my own part, I admire the great Republic with its noble work for humanity and freedom, and I like the American people. But as a nation they have their dangers. They have still unsolved their Negro problem, the Mormon scandal, the Socialistic conspiracy, which steadily becomes more dangerous, and Lynch law, which continues to prevail over a large part of the Union. The Continental Sunday, too, with its open Theatres, Concert halls and Baseball matches, is becoming alarmingly common. Canada doubtless has its dangers and difficulties also, but I firmly believe that, for the present, we occupy a better position than any other, as a self-governing Dominion under British protection, and, when the circling wheels of Time bring this connection to an end, that we have territories vast enough, resources immense enough, institutions good enough and a people with character enough, to establish and maintain a Canadian Nationality which will be honored and respected all over the world.

Galt, Sept. 17th, 1887.

Correspondence with New York Chamber of Commerce.

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,

NEW YORK, November 5, 1887.

HON. JAMES YOUNG,

Galt, Ont., Canada.

DEAR SIR,—The Chamber of Commerce of the State of New York has appointed a special committee in accordance with the enclosed resolution. Our committee desire to hear all that may be said for and against Commercial Union between the United States and Canada, and we would be pleased to have an expression of views from your good self upon this subject.

Very truly yours,

F. B. THURBER,

Chairman of Committee.

REPLY.

GALT, Nov. 10th, 1887.

F. B. THURBER, Esq.,

New York City.

MY DEAR SIR,—I beg respectfully to acknowledge your letter, as chairman of a special committee of the New York Chamber of Commerce, asking for "an expression of my views" on Commercial Union between the United States and Canada. In reply thereto, I think I cannot better meet your views than by sending to you, which I do to-

day, copies of a pamphlet containing four letters recently written by me to the *Toronto Globe*, chiefly on that subject. These letters are sufficiently full to render it unnecessary for me to take up the valuable time of your committee by a re-statement of my opinions and I will, therefore, add only a very few observations.

There exists almost universally throughout Canada not only the most friendly feelings towards the United States, but an ardent desire for freer commercial relations between the two countries. Not that we cannot prosper otherwise. On the contrary, notwithstanding some grievous misgovernment, Canada never developed or prospered more than during the twenty years since the Reciprocity Treaty expired. But our people have always recognized that both countries would be benefited by more freedom of trade, and much regretted that your government, acting doubtless in its discretion, abrogated Reciprocity in 1866, and has not seen its way to entertain favorably the advances which the Dominion has since made in that direction.

Whilst these views generally prevail, very strong objections exist to the Zollverein or Commercial Union, proposed by Mr. Butterworth, of Ohio. Its friends here have held a number of meetings, mostly unopposed, which have passed conditional resolutions in its favor, the condition being that the proposed measure should not interfere with our relations with Great Britain. But the subject is new to the great mass of Canadians, and they have, as yet, not given any general expression of their opinions upon it.

As far as I can judge the trend of public opinion, the principal features of Mr. Butterworth's scheme, discrimination against British trade, pooling revenues with the United States, and withdrawing our tariff and taxation from the control of our own representatives, would not be consented to by a majority of the people of Canada. These conditions are political rather than commercial, are justly regarded as inconsistent with the continuance of British connection, and, calculated from their interference with our British markets and trade, to injure our material interests as much, if not more, than other features of the scheme would do them good.

If the question ever came to be thoroughly discussed at the polls, the public would speedily discover that direct Annexation would be preferable for Canada to such a fatuous position—politically British and commercially American—as we would occupy under Commercial Union as proposed, and no one dreams that, however friendly to the United States, it would be of any use to ask Canadians to endorse political union under present circumstances.

There are no valid reasons, however, why a large and liberal measure of free trade should not be adopted between the United States and Canada without the national and political complications of Mr. Butterworth's scheme. The statesmanship of the two countries is quite equal to the preparation of a measure on a purely commercial basis; and your Chamber of Commerce may rest assured that any such proposals acceptable to the United States, and consistent with our duty to Great Britain and to the interests and future of Canada, would be generally welcomed throughout this country.

Very truly yours,

JAMES YOUNG.



